

# ANNUAL REPORT

SIMPSON'S, LIMITED  
AND SUBSIDIARY  
COMPANIES FOR THE  
FISCAL YEAR ENDED  
JANUARY 5th, 1966

*Simpson's*

1965



# S I M P S O N S , L I M I T E D

## DIRECTORS

EDGAR G. BURTON  
WILLIAM D. ALLPORT  
GORDON M. GRAHAM  
JOHN C. PORTER  
CHARLES B. STEWART  
NORMAN C. URQUHART

G. ALLAN BURTON  
ROBERT C. GIBSON  
CHARLES L. GUNDY  
WILLIAM P. SCOTT  
JAMES M. TORY

## OFFICERS

EDGAR G. BURTON  
*Chairman of the Board*  
NORMAN C. URQUHART  
*Vice-President*  
WILLIAM D. ALLPORT  
*Vice-President and Comptroller*  
ROBERT C. GIBSON  
*Vice-President, Montreal Area*  
OLIVER B. MABEE  
*Vice-President, Personnel and Public Relations*  
A. ERNEST WILKES  
*Treasurer*

G. ALLAN BURTON  
*President*  
JOHN C. PORTER  
*Vice-President, Sales and Merchandising*  
CHARLES B. STEWART  
*Vice-President, Toronto Area*  
ELMER L. ROUNDING  
*Vice-President, Planning and Operating*  
KENNETH W. KERNAGHAN  
*Secretary*

## HEAD OFFICE

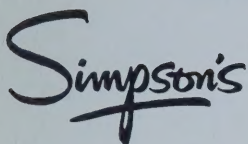
45 RICHMOND STREET WEST, TORONTO 1, CANADA

## TRANSFER AGENTS

National Trust Company, Limited . . . . . Toronto and Montreal  
Eastern & Chartered Trust Company . . . . . Halifax  
Canada Permanent Trust Company . . . . . Winnipeg  
The Canada Trust Company . . . . . Vancouver

## REGISTRARS

The Royal Trust Company . . . . . Toronto and Montreal  
Eastern & Chartered Trust Company . . . . . Halifax  
Canada Permanent Trust Company . . . . . Winnipeg  
The Canada Trust Company . . . . . Vancouver



MARCH  
29, 1966

## H I G H L I G H T S

### F O R   T H E   Y E A R

|                                                                                                                                                                    | 1965          | 1964          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Net Sales .....                                                                                                                                                    | \$231,714,746 | \$211,981,806 |
| Cost of Merchandise Sold, and all Expenses except<br>Depreciation, Interest Charges, Taxes, and Contribu-<br>tion to Simpsons Profit Sharing Retirement Fund . . . | 205,953,345   | 190,106,753   |
| Provision for Depreciation .....                                                                                                                                   | 2,004,442     | 1,973,130     |
| Interest Charges .....                                                                                                                                             | 4,831,385     | 4,338,856     |
| Municipal Realty and Business Taxes .....                                                                                                                          | 3,285,624     | 3,009,066     |
| Federal and Provincial Income Taxes .....                                                                                                                          | 7,300,000     | 5,900,000     |
| Contribution to Simpsons Profit Sharing Retirement Fund                                                                                                            | 1,741,454     | 1,436,869     |
| Dividends from Simpsons-Sears Limited .....                                                                                                                        | 1,800,000     | 1,600,000     |
| Net Earnings .....                                                                                                                                                 | 8,607,092     | 7,021,817     |
| Number of Shares Issued .....                                                                                                                                      | 7,002,967     | 6,913,770     |
| Net Earnings per Share .....                                                                                                                                       | 1.23          | 1.02          |
| Net Earnings per Share Including Equity in<br>Undistributed Net Earnings of Simpsons-Sears Limited                                                                 | 1.53          | 1.32          |
| Dividends Paid .....                                                                                                                                               | 3,794,394     | 3,361,151     |
| Earnings Reinvested in the Business .....                                                                                                                          | 4,812,698     | 3,660,666     |



# SIMPSONS, LIMITED *and Subsidiary Companies*

## DIRECTORS' REPORT

### TO THE SHAREHOLDERS:

The year 1965 was one of continued growth for the Company. The favourable public acceptance of the Toronto suburban stores, Cedarbrae and Yorkdale, and the immediate success of the Fairview-Pointe Claire store in suburban Montreal contributed to net sales of \$231,714,746, an increase over the previous year of 9.3%.

Net earnings after all charges and taxes were \$8,607,092, an increase of 22.6%. Net earnings per share were \$1.23 compared with \$1.02 in the previous year. The Company's share of undistributed earnings of Simpsons-Sears Limited amounted to an additional 30¢ per share. On June 15, 1965 the quarterly dividend was increased to 14¢, making total dividends for the year 54½¢ per share.

Capital expenditures during the year were \$7,427,942 and included fixtures for the Fairview-Pointe Claire store, new escalators and elevators in the downtown Toronto store, new escalators in the Regina store, preliminary work and foundations for The Simpson Tower in Toronto and normal replacement of equipment to maintain our stores at the high Simpson standard. During the current year capital expenditures are estimated at \$10,800,000, principally for The Simpson Tower and a complete modernization of the main floor of the downtown Toronto store.

On July 15, 1965 the Company sold \$12,500,000 5¾% twenty-year Debentures, the proceeds of which were used for general corporate purposes. During the year 58,224 shares were issued under the provisions of the Convertible Debentures Series "B" and "C" and in addition 30,973 shares were issued under the Employees' Stock Option Plans, making the number of shares outstanding 7,002,967.

In accordance with the provisions of Simpsons Profit Sharing Retirement Fund, Simpsons, Limited and its subsidiary companies contributed \$1,741,454 to the Fund compared with \$1,436,869 in the previous year. At the year-end the 7436 members of the Fund had to their credit \$19,139,334, the largest investment being 541,088 shares of Simpsons, Limited common stock. When the Plan of Simpsons Profit Sharing Retirement Fund was amended in 1962 the scale of Company con-

tribution established a liberal basis for providing employee retirement income and this is considered to be the maximum that the Company can spend for that purpose. Accordingly, on January 1, 1966 the Plan of the Fund was integrated with the Canada Pension Plan and the Quebec Pension Plan at no additional cost to the Company for retirement allowances.

The financial highlights for 1965 of Simpsons-Sears Limited are outlined on page 16 of this Report. Net sales of Simpsons-Sears Limited, in which your Company has an equal interest with Sears, Roebuck and Co., increased over the previous year by 11.6% to a total of \$351,708,203. After all charges and taxes net earnings were \$8,809,617 or 65¢ per share on each class of common shares compared with 62¢ in the previous year. During the year dividends totalled 30¢ per share. A Simpsons-Sears Limited Annual Report will be sent to you upon request.

It is with deep regret your Directors record the loss by death in August 1965 of Mr. J. S. D. Tory, O.B.E., Q.C. Mr. Tory acted as legal counsel for the Company for over thirty years and as a Director for nineteen years. His contribution to the Company was most valuable. The vacancy on the Board of Directors has been filled by his son, Mr. J. M. Tory, Q.C.

The continued progress of the Company is made possible only by the whole-hearted support of the members of our staff and of our many suppliers of quality merchandise. Your Directors express their appreciation to all those who contributed materially to the success of the Company's ninety-third year of operation.

On behalf of the Board



*Chairman of the Board*

March 21, 1966



# SIMPSONS, LIMITED *and Subsidiary Companies*

## *consolidated*      **B A L A N C E      S H E E T**

### **A S S E T S**

AT THE FISCAL YEAR-END

#### CURRENT ASSETS:

|                                                                                                  | <i>January 5, 1966</i> | <i>January 6, 1965</i> |
|--------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Cash .....                                                                                       | \$ 923,866             | \$ 1,431,289           |
| Government of Canada bonds, at cost .....                                                        | 41,552                 | 41,552                 |
| Trade and other accounts receivable, after making provision for doubtful accounts (Note 1) ..... | 97,563,872             | 82,737,553             |
| Inventories valued at the lower of approximate cost and market .....                             | 29,699,254             | 26,175,603             |
|                                                                                                  | <u>128,228,544</u>     | <u>110,385,997</u>     |

#### PREPAID CHARGES:

|                                                                                                  |                  |                  |
|--------------------------------------------------------------------------------------------------|------------------|------------------|
| Departmental improvements, unexpired insurance premiums and other expenses paid in advance ..... | <u>8,299,874</u> | <u>8,036,810</u> |
|--------------------------------------------------------------------------------------------------|------------------|------------------|

#### INVESTMENTS, at cost:

|                               |                   |                   |
|-------------------------------|-------------------|-------------------|
| Simpsons-Sears Limited—       |                   |                   |
| Class B shares (Note 2) ..... | 20,000,000        | 20,000,000        |
| Other investments .....       | <u>1,960,456</u>  | <u>1,027,978</u>  |
|                               | <u>21,960,456</u> | <u>21,027,978</u> |

#### CAPITAL ASSETS:

|                                                                                                                                                                    |                   |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Land and buildings at depreciated reproductive values on July 31, 1952 as reported by Canadian Appraisal Company, Limited, plus subsequent additions at cost ..... | 67,001,056        | 62,969,381        |
| Equipment and fixtures, at cost .....                                                                                                                              | <u>25,031,746</u> | <u>22,072,912</u> |
|                                                                                                                                                                    | 92,032,802        | 85,042,293        |
| Less—Accumulated depreciation .....                                                                                                                                | <u>25,186,379</u> | <u>23,588,170</u> |
|                                                                                                                                                                    | 66,846,423        | 61,454,123        |

#### UNAMORTIZED DEBENTURE DISCOUNT AND EXPENSE .....

|  |                      |                      |
|--|----------------------|----------------------|
|  | <u>803,147</u>       | <u>710,139</u>       |
|  | <u>\$226,138,444</u> | <u>\$201,615,047</u> |

as at January 5, 1966

## LIABILITIES

AT THE FISCAL YEAR-END

|                                                                                      | January 5, 1966    | January 6, 1965    |
|--------------------------------------------------------------------------------------|--------------------|--------------------|
| CURRENT LIABILITIES:                                                                 |                    |                    |
| Demand and short term notes (Note 3) . . . . .                                       | \$ 11,375,000      | \$ 10,745,000      |
| Accounts payable . . . . .                                                           | 17,103,878         | 11,863,597         |
| Accrued wages, rent, interest, etc. . . . .                                          | 5,813,133          | 4,497,043          |
| Customers' deposit accounts . . . . .                                                | 2,013,511          | 1,979,460          |
| Income and other taxes . . . . .                                                     | 5,176,373          | 4,770,132          |
| Balance of contribution payable to Simpsons Profit Sharing Retirement Fund . . . . . | 1,191,454          | 1,136,869          |
| Sinking fund requirements payable within one year . . . . .                          | 1,048,800          | 1,014,200          |
|                                                                                      | <u>43,722,149</u>  | <u>36,006,301</u>  |
| LONG TERM DEBT (Note 4) . . . . .                                                    | 81,785,000         | 71,920,000         |
| DEFERRED INCOME TAXES (Note 5) . . . . .                                             | 3,100,000          | 2,550,000          |
|                                                                                      | <u>128,607,149</u> | <u>110,476,301</u> |

## SHAREHOLDERS' EQUITY

### CAPITAL STOCK:

|                                                                                                      |                      |                      |
|------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Common shares (Note 6)—                                                                              |                      |                      |
| Authorized—10,000,000 shares without nominal or par value . . . . .                                  |                      |                      |
| Issued—7,002,967 shares . . . . .                                                                    | 17,317,415           | 15,737,564           |
| EARNINGS EMPLOYED IN THE BUSINESS . . . . .                                                          | 63,359,255           | 58,546,557           |
| APPRAISED VALUE OF LAND AND BUILDINGS IN EXCESS OF DEPRECIATED BOOK VALUE ON JULY 31, 1952 . . . . . | 16,854,625           | 16,854,625           |
|                                                                                                      | <u>97,531,295</u>    | <u>91,138,746</u>    |
|                                                                                                      | <u>\$226,138,444</u> | <u>\$201,615,047</u> |

APPROVED ON BEHALF OF THE BOARD

E. G. BURTON  
NORMAN C. URQUHART *Directors*

# SIMPSONS, LIMITED *and Subsidiary Companies*

*consolidated*

## STATEMENT OF EARNINGS *for the fiscal year ended January 5, 1966*

|                                                                               | FISCAL YEAR ENDED      |                        |
|-------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                               | <i>January 5, 1966</i> | <i>January 6, 1965</i> |
| Net sales .....                                                               | \$231,714,746          | \$211,981,806          |
| Dividends from Simpsons-Sears Limited (Note 2) . . . .                        | 1,800,000              | 1,600,000              |
| Other income .....                                                            | 208,596                | 204,685                |
|                                                                               | <u>233,723,342</u>     | <u>213,786,491</u>     |
| DEDUCT:                                                                       |                        |                        |
| Cost of merchandise sold and all expenses, except the items shown below ..... | 205,953,345            | 190,106,753            |
| Provision for depreciation .....                                              | 2,004,442              | 1,973,130              |
| Interest on debentures, including amortization of discount and expense .....  | 4,297,253              | 3,897,293              |
| Other interest .....                                                          | 534,132                | 441,563                |
| Municipal realty and business taxes .....                                     | 3,285,624              | 3,009,066              |
| Contribution to Simpsons Profit Sharing Retirement Fund .....                 | 1,741,454              | 1,436,869              |
|                                                                               | <u>217,816,250</u>     | <u>200,864,674</u>     |
| Earnings before provision for income taxes .....                              | 15,907,092             | 12,921,817             |
| Provision for income taxes (Note 5) .....                                     | 7,300,000              | 5,900,000              |
| NET EARNINGS FOR THE FISCAL YEAR .....                                        | <u>\$ 8,607,092</u>    | <u>\$ 7,021,817</u>    |

*consolidated*

## STATEMENT OF EARNINGS EMPLOYED IN THE BUSINESS *for the fiscal year ended January 5, 1966*

|                                        |                     |
|----------------------------------------|---------------------|
| Balance at beginning of year .....     | \$58,546,557        |
| Net earnings for the fiscal year ..... | <u>8,607,092</u>    |
|                                        | 67,153,649          |
| Dividends on common shares .....       | <u>3,794,394</u>    |
| BALANCE AT END OF YEAR .....           | <u>\$63,359,255</u> |



# SIMPSONS, LIMITED and Subsidiary Companies

## NOTES TO FINANCIAL STATEMENTS

| 1. TRADE AND OTHER ACCOUNTS RECEIVABLE:                           | January 5, 1966     | January 6, 1965     |
|-------------------------------------------------------------------|---------------------|---------------------|
| Customer instalment accounts receivable.....                      | \$77,661,062        | \$67,985,904        |
| Other customer accounts.....                                      | 23,761,311          | 18,586,059          |
| Miscellaneous accounts receivable.....                            | 925,501             | 812,371             |
|                                                                   | <u>102,347,874</u>  | <u>87,384,334</u>   |
| Less allowance for doubtful accounts and unearned service charges | 4,784,002           | 4,646,781           |
|                                                                   | <u>\$97,563,872</u> | <u>\$82,737,553</u> |

2. SIMPSONS-SEARS LIMITED: The earnings of Simpsons-Sears Limited are included in the consolidated earnings of Simpsons, Limited only to the extent of dividends received. During the fiscal year ended January 5, 1966 dividends of \$1,800,000 were received from Simpsons-Sears Limited and Simpsons, Limited share of the undistributed net earnings for the year was \$2,102,660. Simpsons, Limited equity in the net assets of Simpsons-Sears Limited amounted to \$39,838,706 at January 5, 1966 or \$19,838,706 more than the investment in that company.

3. DEMAND AND SHORT TERM NOTES: These notes, including at January 5, 1966 demand notes of \$1,400,000 payable to banks, are secured by the pledge of Secured Debenture Series A of Simpsons Acceptance Company Limited.

| 4. LONG TERM DEBT:                                                | January 5, 1966     | January 6, 1965     |
|-------------------------------------------------------------------|---------------------|---------------------|
| Simpsons, Limited                                                 |                     |                     |
| 4¾% Debentures Series "A" due January 1, 1973.....                | \$15,048,800        | \$16,514,200        |
| Less amount included in current liabilities.....                  | 1,048,800           | 1,014,200           |
|                                                                   | <u>14,000,000</u>   | <u>15,500,000</u>   |
| 5% Convertible Debentures Series "B" due December 1, 1976.....    | 1,362,000           | 1,506,000           |
| 5½% Convertible Debentures Series "C" due September 15, 1979..... | 8,923,000           | 9,914,000           |
| 5¾% Debentures Series "D" due February 1, 1984.....               | 10,000,000          | 10,000,000          |
| 5¾% Debentures Series "E" due July 15, 1985.....                  | 12,500,000          | —                   |
|                                                                   | <u>46,785,000</u>   | <u>36,920,000</u>   |
| Simpsons Acceptance Company Limited                               |                     |                     |
| 6% Secured Debentures Series B due May 15, 1981.....              | 15,000,000          | 15,000,000          |
| 5½% Secured Debentures Series C due June 15, 1982.....            | 10,000,000          | 10,000,000          |
| 5¾% Secured Debentures Series D due April 1, 1984.....            | 10,000,000          | 10,000,000          |
|                                                                   | <u>35,000,000</u>   | <u>35,000,000</u>   |
|                                                                   | <u>\$81,785,000</u> | <u>\$71,920,000</u> |

The amount of \$15,048,800 shown above for 4¾% Debentures Series "A" is after deducting debentures of the principal amount of \$451,200 purchased and held for sinking fund requirements. The balance of the sinking fund requirements payable within one year of \$1,048,800 has been included in current liabilities.

5. DEFERRED INCOME TAXES: Depreciation deductible for tax purposes for the year ended January 5, 1966 exceeds the normal depreciation recorded in the accounts. The resulting reduction of \$550,000 in income taxes currently payable has been charged to earnings as part of the provision for income taxes and set aside in the balance sheet as "Deferred income taxes", together with similar amounts of \$2,550,000 in respect of prior years.

6. COMMON SHARES: During the year ended January 5, 1966 \$1,135,000 principal amount of Series "B" and Series "C" Debentures were converted into 58,224 common shares and under the terms of the Employees' Stock Option Plans, approved by the shareholders in 1957 and 1965, 30,973 common shares were issued for \$444,851. The Employees' Stock Option Plans provide that the option price shall be the market price of the shares on the day immediately preceding the date of grant and that the options may not be exercised later than ten years from date of grant and are generally exercisable in annual instalments. Outstanding share options at January 5, 1966 were as follows:

# SIMPSONS, LIMITED *and Subsidiary Companies*

## NOTES TO FINANCIAL STATEMENTS *continued*

| <i>Date<br/>of grant</i> | <i>Option<br/>price<br/>per share</i> | <i>Officer directors<br/>and<br/>other officers</i> | <i>Other<br/>management<br/>employees</i> | <i>Total</i>   |
|--------------------------|---------------------------------------|-----------------------------------------------------|-------------------------------------------|----------------|
| 1957 plan:               |                                       |                                                     |                                           |                |
| April 1957.....          | \$ 9.125                              | 3,248                                               | 6,640                                     | 9,888          |
| January 1960.....        | 16.00                                 | 5,330                                               | 10,008                                    | 15,338         |
| March 1962.....          | 16.00                                 | 4,400                                               | 13,678                                    | 18,078         |
| March 1964.....          | 20.25                                 | 7,768                                               | 9,752                                     | 17,520         |
| 1965 plan:               |                                       |                                                     |                                           |                |
| April 1965.....          | 28.00                                 | <u>28,200</u>                                       | <u>94,027</u>                             | <u>122,227</u> |
|                          |                                       | <u>48,946</u>                                       | <u>134,105</u>                            | <u>183,051</u> |

7. REMUNERATION OF DIRECTORS: For the fiscal year ended January 5, 1966 the remuneration of directors, including salaries of officers who are also directors, amounted to \$542,980.

### 8. COMMITMENTS AND CONTINGENT LIABILITIES:

- (a) Annual rentals under long term leases amount to approximately \$1,100,000.
- (b) Capital expenditures to complete construction in progress, principally The Simpson Tower at the Bay and Queen Street corner of the downtown Toronto store, amount to approximately \$18,000,000.
- (c) Contingent liabilities on the guarantee of bank advances to companies operating and developing shopping centres, in which Simpsons, Limited has an ownership interest, amount to \$3,880,000.

## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF SIMPSONS, LIMITED:

We have examined the consolidated balance sheet of Simpsons, Limited as at January 5, 1966 and the consolidated statements of earnings and earnings employed in the business for the fiscal year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of earnings and earnings employed in the business present fairly the financial position of Simpsons, Limited and its subsidiary companies as at January 5, 1966 and the results of their operations for the fiscal year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We also examined the accompanying statement of source and application of funds for the fiscal year ended January 5, 1966 and, in our opinion, it presents fairly the changes in working capital for the fiscal year.

PRICE WATERHOUSE & CO.

Chartered Accountants

Toronto, March 4, 1966.



# SIMPSONS, LIMITED *and Subsidiary Companies*

## SOURCE AND APPLICATION OF FUNDS

FOR THE FISCAL YEAR ENDED

### SOURCE OF FUNDS

Net earnings:

Simpsons, Limited and subsidiary companies excluding dividend income . . . . .

Dividends from Simpsons-Sears Limited . . . . .

Non-cash charges deducted in arriving at net earnings:

Provision for depreciation . . . . .

Amortization of debenture discount and expense . . . . .

Deferred income taxes . . . . .

Common shares issued under Employees' Stock Option Plans . . . .

Proceeds from the sale of debentures . . . . .

### APPLICATION OF FUNDS

Additions to capital assets (net) . . . . .

Additions to prepaid charges (net) . . . . .

Investments . . . . .

Sinking fund requirements on 4¾% Debentures Series "A" . . . .

Dividends on common shares . . . . .

Increase in working capital . . . . .

January 5, 1966 | January 6, 1965

|                  |                  |
|------------------|------------------|
| \$ 6,807,092     | \$ 5,421,817     |
| 1,800,000        | 1,600,000        |
| <u>8,607,092</u> | <u>7,021,817</u> |

|           |           |
|-----------|-----------|
| 2,004,442 | 1,973,130 |
| 43,752    | 38,750    |
| 550,000   | 265,000   |

|         |         |
|---------|---------|
| 444,851 | 408,477 |
|---------|---------|

|                     |                     |
|---------------------|---------------------|
| 12,363,240          | 19,764,929          |
| <u>\$24,013,377</u> | <u>\$29,472,103</u> |

|              |              |
|--------------|--------------|
| \$ 7,396,742 | \$ 2,588,567 |
| 263,064      | 331,258      |
| 932,478      | (67,637)     |

|           |           |
|-----------|-----------|
| 1,500,000 | 1,500,000 |
|-----------|-----------|

|           |           |
|-----------|-----------|
| 3,794,394 | 3,361,151 |
|-----------|-----------|

|                     |                     |
|---------------------|---------------------|
| 10,126,699          | 21,758,764          |
| <u>\$24,013,377</u> | <u>\$29,472,103</u> |

# SIMPSONS, LIMITED

## T E N Y E A R S I N R E V I E W

|                                                                | 1965          | 1964          | 1963†         |
|----------------------------------------------------------------|---------------|---------------|---------------|
| Net Sales.....                                                 | \$231,714,746 | \$211,981,806 | \$193,015,196 |
| Dividends from Simpsons-Sears Limited.....                     | 1,800,000     | 1,600,000     | 1,300,000     |
| Net Earnings.....                                              | 8,607,092     | 7,021,817     | 6,156,270     |
| Number of Shares Issued.....                                   | 7,002,967     | 6,913,770     | 6,862,914     |
| Net Earnings per Share.....                                    | 1.23          | 1.02          | .90           |
| Dividends Paid.....                                            | 3,794,394     | 3,361,151     | 2,938,941     |
| Dividends Paid per Share.....                                  | .54½          | .48¾          | .45           |
| Provision for Depreciation.....                                | 2,004,442     | 1,973,130     | 1,660,619     |
| Interest Charges.....                                          | 4,831,385     | 4,338,856     | 3,768,791     |
| Working Capital (Current Assets less Current Liabilities)..... | 84,506,395    | 74,379,696    | 52,620,932    |
| Land, Buildings and Equipment (after Depreciation)             | 66,846,423    | 61,454,123    | 60,838,686    |
| Total Assets.....                                              | 226,138,444   | 201,615,047   | 187,560,837   |
| Funded Debt.....                                               | 81,785,000    | 71,920,000    | 53,702,000    |
| Shareholders' Equity.....                                      | 97,531,295    | 91,138,746    | 86,787,603    |

†53 weeks



| 1962          | 1961          | 1960          | 1959          | 1958          | 1957†         | 1956          |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| \$175,268,927 | \$169,352,471 | \$163,687,994 | \$159,880,951 | \$151,126,034 | \$146,854,775 | \$140,873,839 |
| 1,300,000     | 1,000,000     | —             | —             | —             | —             | —             |
| 5,223,241     | 5,478,393     | 4,452,678     | 4,503,224     | 4,624,709     | 3,621,541     | 3,352,667     |
| 6,497,152     | 6,462,550     | 6,433,876     | 6,233,296     | 6,047,822     | 6,002,582     | 6,000,000     |
| .80           | .85           | .69           | .72           | .76           | .60           | .56           |
| 2,593,648     | 2,500,998     | 2,201,647     | 1,841,743     | 1,654,733     | 1,500,417     | 1,500,000     |
| .40           | .38¾          | .35           | .30           | .27½          | .25           | .25           |
| 1,574,321     | 1,499,058     | 1,699,590     | 1,590,512     | 1,641,595     | 1,530,193     | 1,550,746     |
| 3,428,996     | 2,852,821     | 2,463,188     | 2,242,215     | 2,212,720     | 2,598,262     | 2,261,811     |
| 57,875,654    | 52,550,471    | 39,281,037    | 37,838,572    | 26,783,260    | 24,046,430    | 24,952,923    |
| 53,746,142    | 48,853,282    | 47,304,010    | 47,031,642    | 46,364,897    | 47,203,769    | 47,650,777    |
| 169,920,085   | 156,754,890   | 143,349,375   | 132,994,858   | 125,792,954   | 124,805,432   | 121,699,987   |
| 59,373,000    | 51,048,000    | 37,562,000    | 41,048,000    | 34,292,000    | 36,000,000    | 37,500,000    |
| 79,022,680    | 76,029,819    | 72,785,096    | 68,722,906    | 64,328,084    | 60,900,521    | 58,641,670    |

†53 weeks

## 33 STOREY SIMPSON TOWER

Contracts have been awarded for the construction of The Simpson Tower and foundations are now complete for the company's major Centennial project. Located at the southeast corner of Queen and Bay Streets in the heart of downtown Toronto, the Tower will rise 33 storeys above street level to a height of 473 feet and will be an important feature of the development surrounding Nathan Phillips Square and the new City Hall.

The Simpson Tower will have 343,000 square feet of rentable office space offering many exclusive features such as enclosed access to the subway, restaurant

accommodation for 1700, and ready availability of all Simpson store departments and services.

Each floor will contain approximately 12,000 square feet of column-free space, ideal for corporate or professional offices of any size. Latest lighting and room-controlled air-conditioning will be featured. There will be eleven high-speed computer-controlled elevators.

The Tower will have a separate entrance on Bay Street and will be across the square from the largest indoor parking garage in the world.

Occupancy will commence late in 1967.



**GENERAL OFFICE:** The height of The Simpson Tower reduces the problem of distracting street noises which, with the silent heating and air conditioning system and glare-free lighting, combine to provide a working atmosphere conducive to utmost efficiency.



**EXECUTIVE OFFICES:** A wide range of adaptability in the size and design of executive offices is afforded by the absence of interior columns and the modular design of The Simpson Tower. Expert advice on distinctive decor will be available through Simpson's.



IN TORONTO

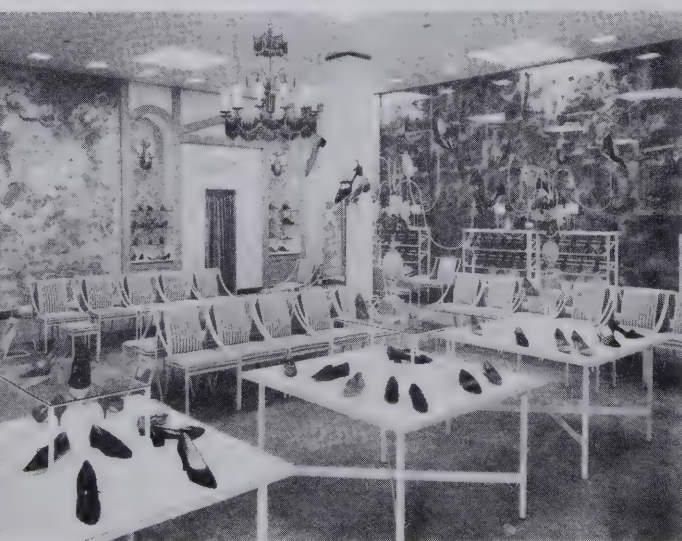
This is a photograph of the architectural model of The Simpson Tower. It is designed to be a dramatic, exciting building, a fitting Centennial tribute to Toronto's rejuvenated downtown area.



## THE WHOLE FAMILY APPROVES



An inviting corner of the Café Vendôme, the delightful restaurant that overlooks the Mall of the Shopping Centre at Simpson's Fairview-Pointe Claire Store in suburban Montreal.



One of the many beautiful fashion departments at Simpson's Fairview-Pointe Claire Store. Rich colors and imaginative backgrounds combine to make the women's Shoe Salon extremely attractive.

Since the opening in August of Simpson's first Montreal suburban store, in the Fairview-Pointe Claire Shopping Centre, thousands of families in the area and many living well beyond have made this store their new shopping headquarters.

The colorful, conveniently laid out departments, the many important services, the interesting and comprehensive merchandise selections, the ample free parking, have all contributed to the popularity of this fine store. Men, women and children are all finding features that appeal to them.

Simpson's is happy to know that "the whole family approves."

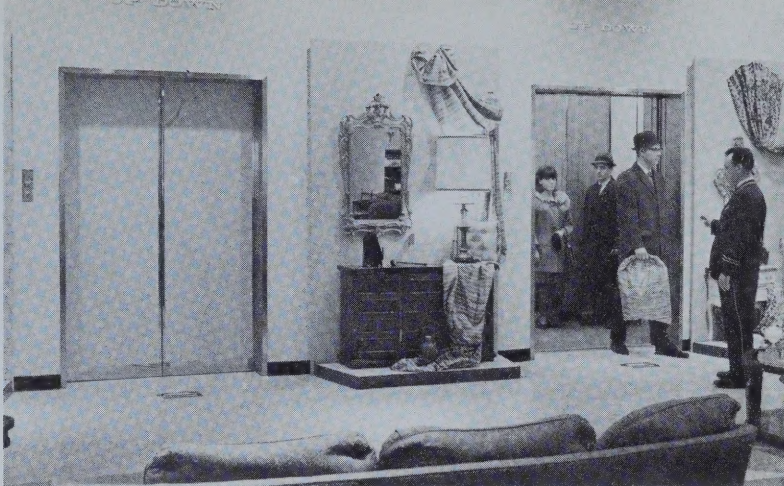
This is a complete department store in every sense of the word with all the usual Simpson services and an unusually interesting restaurant overlooking the Mall of the Shopping Centre.

A feature that has become increasingly popular is Simpson's modern Auto Centre adjacent to the store itself. In addition to catering to all the motorists' needs, the Auto Centre features a car clinic, the only one of its kind in Montreal.

The Fairview-Pointe Claire Shopping Centre, owned jointly by Simpsons, Limited and Cemp Investments Ltd., is one of the largest in North America.



A view of the handsome new automatic elevators just installed in Simpson's Downtown Toronto Store.



These sparkling glass escalators in the Downtown Toronto Store are another first for Simpson's.



## GOING PLACES AT SIMPSON'S

Moving customers from floor to floor, comfortably and efficiently, is of the utmost importance in modern retailing. During the past year Simpson's has completed three important escalator installations and two banks of automatic elevators. Simpson's Downtown Toronto Store scored a first in Canada with magnificent new escalators built around an open well extending from subway level to the sixth floor.

In Regina the first escalators ever to be

installed in that city have been warmly received by Simpson customers. These travel from basement to fifth floor.

Opened recently in Toronto's Downtown Store is a handsomely designed bank of automatic elevators in the Bay Street wing. These are the last word in modern vertical transportation.

The handsomely designed escalators and elevators installed in Simpson's Fairview-Pointe Claire Store are a feature of that fine suburban store in Montreal.



## SIMPSONS-SEARS LIMITED

### H I G H L I G H T S

#### F O R T H E Y E A R

|                                                                                                                                                                    | 1965          | 1964          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Net Sales . . . . .                                                                                                                                                | \$351,708,203 | \$315,134,844 |
| Cost of Merchandise Sold, and all Expenses except<br>Depreciation, Interest Charges, Taxes, and Contribu-<br>tion to Simpsons-Sears Profit Sharing Retirement Fund | 320,789,026   | 286,673,151   |
| Provision for Depreciation . . . . .                                                                                                                               | 2,510,152     | 2,365,764     |
| Interest Charges . . . . .                                                                                                                                         | 6,595,266     | 5,184,892     |
| Municipal Realty and Business Taxes . . . . .                                                                                                                      | 2,769,457     | 2,507,864     |
| Federal and Provincial Income Taxes . . . . .                                                                                                                      | 8,855,000     | 8,535,000     |
| Contribution to Simpsons-Sears Profit Sharing Retire-<br>ment Fund . . . . .                                                                                       | 1,731,884     | 1,669,974     |
| Net Earnings . . . . .                                                                                                                                             | 8,809,617     | 8,345,294     |
| Number of Shares Issued . . . . .                                                                                                                                  | 13,544,435    | 13,504,410    |
| Net Earnings per Share on combined Class A, B and C<br>Shares . . . . .                                                                                            | .65           | .62           |
| Dividends Paid . . . . .                                                                                                                                           | 4,055,377     | 3,601,076     |
| Earnings Reinvested in the Business . . . . .                                                                                                                      | 4,754,240     | 4,744,218     |
| Working Capital (Current Assets less Current Liabilities)                                                                                                          | 104,567,924   | 88,710,584    |
| Total Assets . . . . .                                                                                                                                             | 268,007,969   | 233,847,572   |
| Land, Buildings and Equipment (after Depreciation) . . .                                                                                                           | 48,028,767    | 43,639,262    |
| Funded Debt . . . . .                                                                                                                                              | 75,259,195    | 56,863,195    |
| Shareholders' Equity . . . . .                                                                                                                                     | 89,929,358    | 84,440,599    |



## **SIMPSON'S DEPARTMENT STORES**

### **TORONTO AREA**

DOWNTOWN  
YORKDALE, IN YORKDALE SHOPPING CENTRE, NORTH YORK  
CEDARBRAE, IN CEDARBRAE PLAZA, SCARBOROUGH

### **MONTREAL AREA**

DOWNTOWN  
FAIRVIEW - POINTE CLAIRE,  
IN FAIRVIEW - POINTE CLAIRE SHOPPING CENTRE

**REGINA • HALIFAX • LONDON**

The beautiful entrance court  
of Simpson's Yorkdale in  
the Yorkdale Shopping Centre, Toronto

